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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, DC 20554

In the Matter of)	
)	
Federal-State Joint Board on Universal Service)	CC Docket No. 96-45
)	
Access Charge Reform, Price Cap)	
Performance Review for Local Exchange Carriers, Transport Rate Structure and Pricing, End User Common Line Charge)	CC Docket Nos. 96-262, 94-1, 91-213, 95-72

REPLY COMMENTS OF U S WEST, INC.

U S WEST, Inc. ("U S WEST") submits this Reply to the Comments of Southwestern Bell Telephone Company, Pacific Bell and Nevada Bell ("SWB") and AT&T Corp. ("AT&T").¹

U S WEST agrees with SWB² that a Lifeline customer's federal benefit should exclude the amount of any primary interexchange carrier charge ("PICC") recovered by that customer's incumbent local exchange carrier ("LEC") from the Universal Service Fund ("USF"). If a Lifeline customer does not presubscribe to an

¹ Comments were filed on Sep. 25, 1997. Due to the brevity of these Reply Comments and since no headings were used from which to create a table of contents as required by paragraph 16 of the Federal Communications Commission's ("Commission") Second Further Notice of Proposed Rulemaking, no table of contents has been included. In the Matter of Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Access Charge Reform, Price Cap Performance Review for Local Exchange Carriers, Transport Rate Structure and Pricing, End User Common Line Charge, CC Docket Nos. 96-262, 94-1, 91-213, 95-72, Second Further Notice of Proposed Rulemaking, FCC 97-317, rel. Sep. 4, 1997.

² Comments of SWB at 3-4.

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interexchange carrier and elects toll blocking, the Commission proposes that the USF cover that customer's PICC. SWB believes that payment should not count against the maximum federal benefit (\$7.00) attributable to a customer. As SWB notes, counting this recovery against the maximum benefit would effectively negate the LEC's recovery of the PICC, thus accomplishing nothing. There seems no point to such a futile exercise.³

Subject to the caveat noted below, U S WEST agrees with AT&T that the USF, rather than the presubscribed interexchange carrier, should pay the PICC for Lifeline customers who presubscribe to an interexchange carrier, but then elect toll blocking.⁴ Otherwise, the interexchange carrier will have assumed only an obligation, with no opportunity to obtain revenue from the customer. This might induce interexchange carriers to resist having Lifeline customers presubscribe to their service.

We must, however, condition our concurrence with AT&T. If the procedures adopted by the Commission truly enable the incumbent LECs to recover the PICCs that are thus not paid by the presubscribed interexchange carriers, U S WEST believes this is an appropriate modification. But if the recovery proves to be illusory (e.g., if recovering the PICC from the USF reduces other USF support by


³ U S WEST also agrees with SWB that the Commission should not label this a "waiver" of the PICC. *Id.* at 4-5. The charge is not waived in any real sense; it will simply be paid by a different party.

⁴ AT&T at 5-6.

the same amount), then U S WEST must oppose AT&T's proposal. In that case, the LEC has simply been deprived of revenue to which it is entitled.

Respectfully submitted,

U S WEST, INC.

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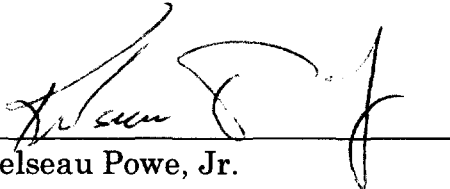
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October 9, 1997

CERTIFICATE OF SERVICE

I, Kelseau Powe, Jr., do hereby certify that on this 9th day of October, 1997, I have caused a copy of the foregoing **REPLY COMMENTS OF U S WEST, INC.** to be served, via first class United States Mail, postage pre-paid, upon the persons listed on the attached service list.


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